

**WRITTEN TESTIMONY OF**



**JOHN DEMELL  
PRESIDENT  
FIRSTLINE TRANSPORTATION SECURITY, INC.**

**BEFORE THE**

**COMMITTEE ON HOMELAND SECURITY  
SUBCOMMITTEE ON ECONOMIC SECURITY,  
INFRASTRUCTURE PROTECTION, AND CYBERSECURITY  
U.S. HOUSE OF REPRESENTATIVES**

**IMPROVING MANAGEMENT OF THE  
AVIATION SECURITY WORKFORCE**

**JULY 28, 2005**



Chairman Lungren, Ranking Member Sanchez, and other distinguished Members of the Subcommittee, thank you for the opportunity to assist the Subcommittee's important review and assessment of the Airport Screener Program and the Screening Partnership Program of which FirstLine Transportation Security is a proud partner.

Since November 2002, FirstLine Transportation Security and our approximately 600 dedicated employees have provided aviation screening services for the Transportation Security Administration ("TSA") and the traveling public at Kansas City International Airport under the Airport Screener Privatization Pilot Program. This program was originally known as the "PP5 Program," but following its certification as an integral part of our nation's aviation security and its availability to all airports is now known as the Screening Partnership Program ("SPP").

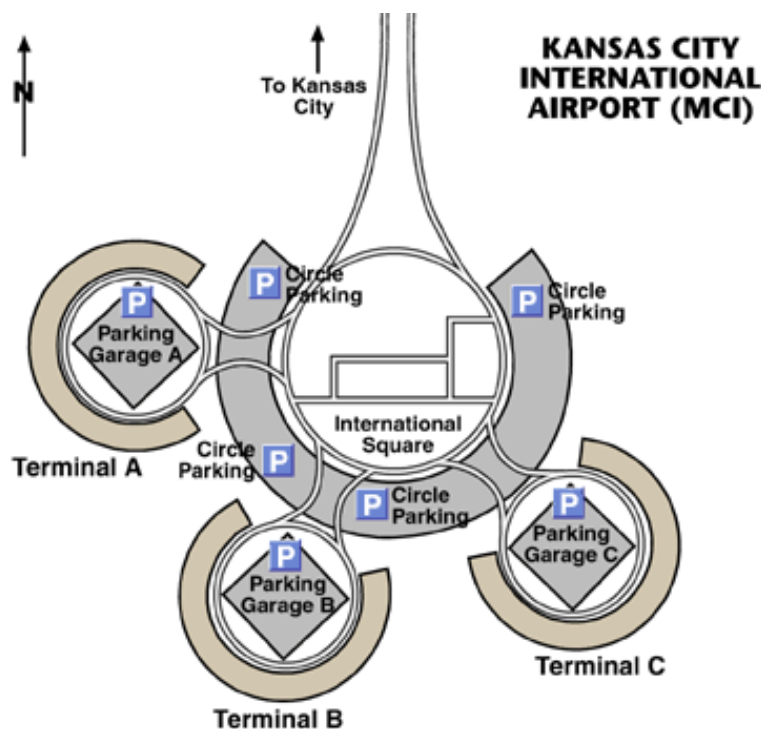
FirstLine Transportation Security is a subsidiary of SMS Holdings Corporation ("SMS"), a U.S. privately-owned company with a seventeen year history of providing security, aviation and facilities maintenance services across the Nation. FirstLine resulted from SMS's acquisition of the core management team of a company that for over twenty years had provided passenger screening and airline services across the U.S. The SMS family of companies also includes Valor Security Services, whose employees protect over 160 enclosed shopping malls in 32 states, Service Management Systems, a leading provider of facilities services management to multi-use facilities in 32 states; and PrimeFlight Aviation Services whose 4,000 employees provide airside and landside services in 60 airports nationwide. Our company has a strong reputation of quality managed services and considerable expertise and experience in a variety of areas important to our nation's commerce and the aviation industry.

Under the Screening Partnership Program, the TSA is responsible for oversight and direction of all screening and security related activities, while FirstLine performs world class human resources management in addition to all administrative functions related to the workforce. Our responsibilities include recruitment, screening of candidates, candidate assessment, screener training and ongoing personnel management and direction to the screening staff. SPP contractors must meet, as a minimum, the same overall hiring, training, and security requirements as those locations employing federal screeners. The employees of the SPP contractors generally receive their training from TSA, although in the case of FirstLine, we have responsibility for virtually all screener training requirements.

FirstLine is responsible for managing the screener workforce with respect to all human resource and administrative-related functions. This includes the establishment of compensation schedules at TSA-approved levels; performing payroll-related activities; rewarding and disciplining for performance; hiring and firing; orchestrating shift bids; and scheduling. All of our expenditures, including all compensation-related matters, are submitted on a monthly basis to TSA for review, approval, and payment under the terms of our contract.

We work closely with TSA site managers to ensure that security measures are consistent with TSA's procedures, and our screeners receive enhanced professional training covering all aspects of their work environment and job responsibilities. It is a partnership in which we share the TSA's mission to protect the Nation's transportation systems, that emphasizes high levels of screening effectiveness, outstanding customer service and significant cost and operational efficiencies. Our collaboration with TSA is geared towards a "win-win" result, and it is a partnership in which we are proud to play an important role. It is a partnership that works.

Given the unique and challenging layout of Kansas City International Airport, it is essential that FirstLine and TSA work creatively and proactively to ensure that screening operations are effective and provide security and customer service to the traveling public with minimal delay. We are particularly proud of the work that our employees perform at Kansas City International given the unique facility issues presented by the airport's layout. For those of you who have not traveled to or through Kansas City, the airport is arranged in three horseshoe-shaped terminals, with the distance between a gate entrance and the airport exterior entrance only a matter of a few dozen feet. It is possible to deplane and be outside meeting your ride within minutes.





This configuration currently requires 11 screening checkpoints and 6 baggage screening stations, exacerbating the need for balancing our workforce between checkpoints and baggage screening stations. By comparison, Hartsfield International Airport in Atlanta has 4 screening checkpoints.

Moreover, once a passenger clears security, another unique aspect of the airport layout that increases our employee's workload is the fact that access to restroom facilities, food and refreshments, and many other creature comforts or needs reside close to the gate areas, but nevertheless outside security at most gates. Given passenger ingress and egress from the secure area, this creates the need to "double screen" many passengers.

It is important to highlight how well FirstLine and the TSA have partnered to deliver maximum security, efficiency and customer service to the traveling public in Kansas City, and meet the challenges of our role in protecting America. We have adopted a "One Team, One Mission" approach by acting cooperatively, creating a series of improvements to the security screening process, and developing new initiatives that can serve as a model for other airports. For example, FirstLine and TSA representatives hold joint Town Hall Meetings, attend each others' operational and planning sessions, and share a single communications system. In partnership with the Federal Security Director, FirstLine staffs and operates the TSA Operations Center at Kansas City International that provides 100% visibility of all screening assets 100% of the time, which given the configuration of the airport, is a significant accomplishment and testament to our working relationship with the TSA.

## **Management and Best Practices**

As a company, we are exceptionally proud of the managerial enhancements and innovations we have implemented in our operations, improvements that could never have occurred without an effective partnership with the TSA team in Kansas City. We have collaboratively developed management approaches and tools that have resulted in significant reductions in days lost to injury and overtime costs, among other benefits.

In order to ensure that we meet the changing needs of a dynamic airport travel profile, we have established an Operations Center, functional 24 hours a day/seven days a week, that tracks staffing levels (actual vs. scheduled) and appropriate screener deployment, and coordinates all major FirstLine communications to and from TSA, the airport and airline officials. We are utilizing innovative technology to develop, implement and administer a schedule that places screeners where they are needed, when they are needed, and we manage this process through the Operations Center. In cooperation with our local TSA partners we have established a zonal approach to scheduling that enhances our ability to schedule effectively resulting in essentially zero scheduling



errors for the past year. We also train and empower our screening supervisors to manage, cooperate and redeploy screeners as necessary at the checkpoint level. The Operations Center and scheduling system, coupled with the protocols that guide and direct their operation, are some of the key reasons why we are able to respond effectively to operational situations and deploy the appropriate level of screener staff where and when they are needed.

Working with the TSA, FirstLine also developed a General Operations Guide (GOG) that documents all programs and procedures for the entire FirstLine Kansas City operation. The GOG provides standardized procedural and administrative guidance, and is a synopsis of standards established by FirstLine to meet and exceed the contractual requirements of the Transportation Security Administration. Based on our historic management experience with a workforce of similar size and scope to the screening team in Kansas City, FirstLine developed an Employee Handbook that documents procedures and rules for required employer/employee behavior and ensures that our team's performance exceeds the requirements of the TSA contract. In cooperation with our TSA partners, we also developed a set of 21 Performance Metrics for our work on behalf of the TSA, metrics that are reviewed twice per month, and also serve as the baseline for ongoing management initiatives to maximize contract performance.

Utilizing industry best practices, FirstLine has installed significant cost control procedures and other measures to improve efficiency. For example, we have deployed systems to ensure the highest levels of payroll accuracy, manage the full spectrum of materials acquisition, and provide for the security, efficient acquisition and control of uniform components. These systems and management tools proved so successful that the TSA expanded their use to encompass virtually all materials procurement and inventory management. Our preventative maintenance programs for security operations equipment have saved significant tax dollars and earned TSA and vendor recognitions. We have a lean, motivated and efficient administrative team at Kansas City backed up by a qualified corporate support center staff.

### **Assessment and Hiring**

Beginning in late February 2005, FirstLine assumed responsibility for major portions of the assessment and hiring process. The assessment and new hire training programs are managed by FirstLine in accordance with a TSA-approved model, and with standards that exceed those required by TSA. FirstLine has teamed with industry experts to continually improve the hiring and assessment process to provide for greater efficiency.



## **Workforce Management and Training**

A core aspect of our mission involves the training and evaluation of the screening workforce in order to meet our contract objectives and performance metrics. FirstLine makes a continuing, major commitment to training and evaluation. All FirstLine Screeners, Lead Screeners, and Screener Supervisors are baggage *and* passenger screening qualified. This Dual Functioning Screener (DFS) approach provides the TSA with screening efficiency, effectiveness, and flexibility, and allows us to deploy screeners throughout our checkpoints to meet changing demand and avoid bottlenecks. Each screener also receives a minimum of three hours of continuation training each week. Cross-training coupled with continuing training programs further improves the efficiency of our staffing in order to meet routine as well as exceptional operational needs.

Passenger wait times are an important issue to both the traveling public and airport managers nationwide. Our results in Kansas City are exceptional. While there are many reasons for this success, including the unique array of passenger checkpoints, the use of 100 percent cross-trained screening staff, combined with our innovative scheduling technology and Operations Center management has also played a significant role in delivering screening staff both wherever and whenever they are needed. The result is reduced wait times for travelers. As the TSA's own wait time reporting and a recent *USAToday* analysis of those wait times at major airports noted, travelers at Kansas City waited in excess of 10 minutes less than one half of one percent of the time. It is not an exaggeration to note that on most days, the line for Starbucks exceeds the wait time to clear security at our airport.

FirstLine's approach to enhanced training has resulted in our becoming the first contractor given the responsibility to conduct its own security-related training. Our security-related training applies to both new-hires as well as ongoing recurrent instruction, and adds to the enhanced customer service and human resources training that we have accomplished through out the duration of our contract. Portions of the initial assessment process remain the responsibility of the TSA although FirstLine remains prepared to assume this function once TSA resolves other issues impacting this transition.

FirstLine's Training Program is grounded in quantifiable tasks, conditions, and measurable standards. All DFS training is conducted by FirstLine training specialists certified by the TSA as TSA Authorized Instructors (TAIs). To manage this training program, FirstLine publishes monthly training calendars 60-90 days in advance of scheduled training. Our Training Department augments these Training Calendars with targeted monthly training tasks (focus areas). Both to gauge the program's effectiveness and to ensure that screeners remain current in their job duties, random





monthly training quizzes are given to approximately 25% of the Screeners and Lead Screeners.

To support our training program and ensure that training does not come at the expense of our core security mission, FirstLine maintains a dedicated Training Support Team that relieves screening locations during computer-based training and other skills improvement sessions on a scheduled, rotating basis. The result of our approach is that each screener receives an average of 8-12 additional hours of focused training every month that is normally above and beyond the minimum weekly TSA requirement. Standardized training records ensure that every FirstLine screener meets or exceeds TSA training requirements, and facilitate 100% accountability of mandatory TSA weekly training requirements and screener certifications. As with all of our program elements, our training strategy is a cooperative endeavor fully supported by the Federal Security Director in Kansas City and his staff.

As another example of how we have linked our training and security objectives, FirstLine, in coordination with the TSA, has participated in expanding upon TSA's local and national covert testing program. As part of our efforts to add value to the partnership, FirstLine conducts additional training utilizing covert situations, further enhancing our screeners' practical skills and situational awareness. This dynamic application of simulated real-life training situations enhances and improves the safety and security of Kansas City's traveling public.

### **Workforce Management Techniques and Tools**

Workplace safety is a critical component of FirstLine's partnership with the TSA. Both to improve operational efficiency and enhance the health of our workforce, FirstLine, in collaboration with the TSA, instituted a policy of Temporary Transitional Duty (TTD) assignments for our workforce. This program is a cooperative effort between the screener, their medical provider, and FirstLine. Minimum physical requirements are determined for each of the screening location positions, and workers scheduled to return to full duty within 90 days are assigned to a temporary duty assignment that is appropriate to their medical status as soon as they are physically able to meet the minimum physical requirements for a position. This temporary assignment, combined with FirstLine's proactive overall approach to reducing on-the-job injuries (OJI), is paying operational dividends -- as our current OJI rate per 100 employees is 1.4. During a recent visit by TSA Headquarters staff to Kansas City, the review team indicated their plans to send their lead Workman's Compensation personnel to Kansas City to identify "best practices" that could be deployed throughout the TSA system.

As a private contractor, FirstLine has also brought to bear in Kansas City our experience from other personnel management circumstances. Early on, FirstLine established a standardized employee review process that identifies employee



counseling needs and areas for improvement, and measures and quantifies our employees' successes and positive contributions. In addition to providing valuable two-way feedback regarding performance and staff interests, these evaluations are part of a larger incentive and motivational program that includes, among other aspects, a merit pay program. FirstLine has also established a wide array of employee recognition programs that commend our staff members for their accomplishments on a monthly, quarterly and annual basis. We also take opportunities at holidays or significant milestones, such as our contract anniversary, to offer additional incentives and expressions of appreciation, including prize raffles and refreshments.

We are also especially pleased to offer a tuition assistance program for those employees who have completed six months with the company. Eligible employees may seek reimbursement for classes taken at an accredited college/university -- whether or not they are job related. The maximum reimbursement to an employee for tuition reimbursement, with benefits corresponding to company tenure is \$10,000.

In keeping with our objective of continuous review and improvement, our programs are consistently reviewed – often with the involvement of our employees. This review includes effective input from our Employee Advisory Council (EAC), a group that provides an official forum for our screening staff to have real input into the policy decisions we make that directly affect them. FirstLine's EAC is comprised of Screeners and Lead Screeners, and meets bi-weekly to review, analyze and make recommendations to improve policies and procedures that affect the screening workforce. As one example of the value of this forum, the EAC was instrumental in revising several important personal attendance management tools, including FirstLine's points-based Employee Attendance Management policy. This Policy ensures that FirstLine provides the TSA with optimal staffing levels at each work area, which is essential in order to effectively protect and serve the traveling public. A central feature of the program is that effective attendance management and control is the responsibility of each FirstLine employee. Employees receive a finite number of available scheduled and unscheduled absences. By effectively managing the time-off options, each employee is able to meet their FirstLine obligations while satisfying their unique and individual personal needs.

We have also established a Supervisor's Advisory Council (SAC), which serves as a key element of FirstLine's management team. The SAC's task is to review, analyze and make recommendations to improve policies and procedures at a management level that will improve FirstLine's efficiency, effectiveness, and support to the TSA.

The result of our workforce management plan has been to improve the efficiency and effectiveness of our staff and deliver value and reliable service to the TSA. The results, as measured through our twenty-one metrics bear out this success. Some current highlights of these metrics include:





- Overtime is currently tracking at one percent of billed costs, compared to a target goal of five percent;
- On the Job Injuries (OJI) is currently 1.4 percent, with only one employee currently receiving workman's compensation resulting from a 2005 injury;
- Employee absenteeism through the first half of July is 3.58 percent, compared to a target goal of five percent;
- Our current month-to-date attrition rate is 1.6 percent. Importantly, our calculation of attrition includes both voluntary and involuntary separations from the workforce, a methodology that differs from the metric used by the TSA for gauging attrition;
- Customer Satisfaction remains high and issues, should they arise, are handled in a timely fashion both to resolve where possible to the customer's satisfaction while affording teaching opportunities to improve internally. It should also be noted that Customer Satisfaction, as also measured through the TSA's own survey released in March show high levels of performance even outpacing in many areas the TSA's own positive results, and
- We continue to have 100% accountability of all personnel on a daily basis.

The TSA-FirstLine partnership in Kansas City has clearly been a success story. A TSA-commissioned study released in 2004 singled out our program for screening effectiveness, customer service excellence and significant efficiencies that generated approximately \$7.9 million in annual savings when measured against a federal model of comparable size. We have been advised that more recent studies, including the GAO's review earlier this year, continue to bear out these successful results. The Kansas City Aviation Department's leadership continues to express strong support of our partnership program and its renewal and continuation. Security screening at Kansas City not only plays an important role in our nation's homeland defense, it is viewed as an integral part of a positive, security-effective and customer friendly travel experience for the airport and its customers.



## **Remaining Issues**

With all of the demonstrated successes of the partnership in Kansas City and at other Screening Partnership locations, it is fair to ask why other airports have not embraced this alternative to fully federalized screening at their own locations. In our view, there are several factors that continue to limit the expansion of the SPP.

### ***Liability and Indemnity***

The primary concerns among airport authorities with respect to the SPP relate to liability and indemnity. Airports are concerned that should there be a security incident that results in litigation, they may become a party to the legal wrangling as either a customer or beneficiary of the Screening Partnership Program, or simply because they affirmatively applied to participate in the program. These concerns persist despite the comfort level of those airports currently in the SPP. To mitigate this issue with airports, FirstLine Transportation Security applied for and was granted a number of legal protections afforded by the SAFETY Act of 2002, becoming the first passenger and baggage screening company to receive a Designation under the Act.

Provisions of the law and associated regulations promulgated by the Department of Homeland Security afford wide and detailed protections to FirstLine as a Designated Seller of passenger and baggage screening services that are now designated as a Qualified Anti-Terrorism Technology (QATT). Although statements by TSA legal counsel and informal guidance by leadership at the Department of Homeland Security have sought to assuage the concerns of non-participating airports, a number remain uncertain of their legal protections due to the unique relationship they would hold as a stakeholder in the SPP. Potential participants have expressed a strong desire to receive unambiguous guidance from DHS that SAFETY Act provisions apply to their situation, and that FirstLine and future qualified screening companies must secure full Certification under the SAFETY Act for its technology in order to provide sufficient legal protection for participating airports. Such recognition could be provided once the TSA supplies specific benchmarks requested by the Department of Homeland Security. Clear specifications from DHS with respect to the impact of the SAFETY Act designation and certification for passenger and baggage screening technology and processes would certainly aid expansion of the program.



### ***Continued and Reliable Funding***

Budget considerations are always paramount with the federal government. Some airports, recognizing their past experiences with unfunded mandates and concerned over future efforts to address appropriations concerns, rightly or otherwise, view the SPP as one area which might be ripe for funding reductions in future years. The TSA has attempted to explain that annual appropriations for airport screening, federalized or partnership are derived from the same budget process and line item, but airports remain concerned that any future funding shortfalls would be borne by airport participants.

### ***Shared Savings and Innovative Financing***

Many airports see the qualitative and quantifiable advantages that the SPP affords but they properly asked what specific tangible advantages might be available to them. A partial answer may lie in the current quest to develop new and innovative ways to fund badly needed airport security enhancements including in-line baggage security systems (EDS). FirstLine strongly supports funding mechanisms which, when properly defined and administered, would return a portion of the savings we know can be derived from our partnership to participating airports in order to fund needed security enhancements. Such alternatives should be supported and implemented by TSA in order to further meet the request for tangible benefits for participating airports.

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Mr. Chairman, our experience in partnering with the TSA to manage the screening workforce has convinced us that the private sector has much to offer TSA in our post-9/11 model and approach to passenger and baggage screening. As the Committee continues its important work in oversight of the SPP program and the TSA, we are confident that solutions to the issues of SAFETY Act Certification, funding reliability, and shared savings and financial innovation can be identified and deployed to improve the program. We believe that resolution of these issues will ensure that the Screening Partnership Program becomes an even more valuable tool for aviation security.

On behalf of FirstLine and our employees, we are committed to ensuring that our work for the traveling public at Kansas City International -- and our partnership with TSA -- continue to enhance the security of our airline passenger system. FirstLine is available to provide any additional information the Committee may request.